Village of Bourbonnais, Illinois
Special Tax Allocation Fund

Financial and Compliance Reports
April 30, 2009

Village of Bourbonnais, Illinois
Tax Increment Financing District
April 30, 2009

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Independent Auditors' Report

Board of Trustees
Village of Bourbonnais
Bourbonnais, Illinois

We have audited the accompanying balance sheets of the Special Tax Allocation Fund, which represents the Tax Increment Financing Districts of the Village of Bourbonnais, Illinois, as of April 30, 2009 and 2008 and the related statements of revenues, expenditures and changes in fund balance for the years then ended. These financial statements are the responsibility of the Village of Bourbonnais, Illinois' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

These financial statements present only the Special Tax Allocation Fund and do not purport to, and do not present fairly the financial position and results of operations of the Village of Bourbonnais, Illinois, as of April 30, 2009 and 2008 and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Special Tax Allocation Fund of the Village of Bourbonnais, Illinois, as of April 30, 2009 and 2008 and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2010, on our consideration of the Special Tax Allocation Fund of the Village of Bourbonnais, Illinois' internal control structure and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The budgetary comparison information on page 5 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Wadley & Assoc.

Wadley & Associates
Certified Public Accountants
Bourbonnais, Illinois
April 1, 2010

Village of Bourbonnais
Tax Increment Financing District
Balance Sheets
April 30, 2009 and 2008

	2009	2008
ASSETS		
Cash & cash equivalents	$ 2,645,379	$ 2,536,624
Investments	1,362,069	1,302,963
Property taxes receivable	1,247,687	1,114,492
Receivables - sales and other taxes	150,814	165,128
Interest receivable	3,093	3,627
Prepaid expenses	2,354	
Amount to be provided for retirement of long-term debt	790,000	1,170,000
TOTAL ASSETS	$ 6,201,396	$ 6,292,834
LIABILITIES		
Accounts Payable	$ 13,915	
Accrued Payroll	7,810	
Interfund Payable	137,431	$ 175,882
Deferred Revenue	1,247,687	1,114,492
Bonds Payable	790,000	1,170,000
Accrued Interest		8,373
TOTAL LIABILITIES	2,196,843	2,468,747
FUND EQUITY		
Reserved for Bond Retirement	336,021	172,682
Unreserved	3,668,532	3,651,405
TOTAL FUND EQUITY	4,004,553	3,824,087
TOTAL LIABILITIES AND FUND EQUITY	$ 6,201,396	$ 6,292,834

See accompanying notes.

Village of Bourbonnais
Tax Increment Financing District
Statements of Revenues, Expenditures & Changes in Fund Balance
April 30, 2009 and 2008

	2009	2008
REVENUES		
Sales tax	$ 857,923	$ 401,493
Local sales tax	685,595	687,887
General property taxes	1,104,385	1,089,884
Interest income	66,520	81,887
TOTAL REVENUES	2,714,423	2,261,151
EXPENDITURES		
Economic development	342,643	93,573
Highways and streets	336,183	514,996
Sewer improvements	47,507	
Legal and professional	30,825	45,528
Dues and seminars	7,411	4,892
Administrative and other	187,051	163,316
Engineering	225	980
Capital projects	1,158,125	362,181
Debt service		
Bonds redeemed	380,000	370,000
Interest and fiscal charges	43,987	49,124
TOTAL EXPENDITURES	2,533,957	1,604,590
EXCESS REVENUES OVER (UNDER) EXPENDITURES	180,466	656,561
FUND BALANCE, BEGINNING OF YEAR	3,824,087	3,167,526
FUND BALANCE, END OF YEAR	$ 4,004,553	$ 3,824,087

See accompanying notes.

Village of Bourbonnais
Tax Increment Financing District
Statement of Revenues, Expenditures & Changes in Fund Balance
Budget vs. Actual
April 30, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Sales and other taxes	$ 1,480,000	$ 1,543,518	$ 63,518
General property taxes	1,000,000	1,104,385	104,385
Interest income	40,000	66,520	26,520
Miscellaneous income	5,000		(5,000)
Transfers from reserves	1,000,000		(1,000,000)
TOTAL REVENUES	3,525,000	2,714,423	(810,577)
EXPENDITURES			
Economic development	181,700	342,643	(160,943)
Highways and streets	702,500	336,183	366,317
Sewer improvements	50,000	47,507	2,493
Legal and professional	58,000	30,825	27,175
Administrative and other	319,000	194,462	124,538
Engineering	50,000	225	49,775
Capital projects	2,410,500	1,158,125	1,252,375
Debt reserve	250,000		250,000
Debt service			-
Bonds redeemed	370,000	380,000	(10,000)
Interest and fiscal charges	51,600	43,987	7,613
TOTAL EXPENDITURES	4,443,300	2,533,957	1,909,343
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCIAL SOURCES	(918,300)	180,466	$ 1,098,766
FUND BALANCE, BEGINNING OF YEAR	3,824,087	3,824,087	
FUND BALANCE, END OF YEAR	$ 2,905,787	$ 4,004,553	

See accompanying notes.

Note 1 – Significant Accounting Policies:

A. Reporting Entity

The reporting entity consists of the Bourbonnais Tax Increment Financing Districts Number 5 and 18. The districts were established by Village ordinances under the requirements of state laws in 1986 and 2006, respectively, to provide resources for the various redevelopment plans and projects. The districts' transactions are recorded in a special revenue fund of the Village of Bourbonnais, Illinois entitled Special Tax Allocation Fund in order to account for the proceeds of special revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted by local ordinance or state law for special purposes.

B. Fund Accounting

The Special Tax Allocation Fund is presented in this report on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of funds are summarized by providing a separate set of fund-balancing accounts which include assets, liabilities, fund equity, revenues and expenditures.

C. Basis of Accounting

The financial statements reflect the modified accrual basis of accounting in which revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred. Payment of Revenue Bond principal is recorded as an expenditure in the year paid.

D. Property Tax Revenue

The Village's property tax calendar is as follows:

1. Property tax is assessed on January 1 each year.
2. The tax levy ordinance is adopted and filed with the county clerk on or before the second Tuesday of December.
3. Property taxes are due to be collected on June 1 (first installment) and September 1 (second installment) in the year following the levy year.

E. Sales Tax Revenue

The Tax Increment Financing Districts in the Village of Bourbonnais have an extension to collect Sales Tax revenue until 2013.

F. Investments

All investments are stated at fair value.

Note 2 – Cash and Investments

Statutes authorize the Village to make deposits and invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool.

Deposits

As of April 30, 2009, the carrying amount of the deposits of the Village's Special Tax Allocation Fund in financial institutions totaled $2,645,379 and the institution's balances totaled $2,630,307. The insured and collateral status of the year-end balances is as follows:

	Carrying Amount
Category 1	
Insured by federal depository insurance, or collateralized with securities held by the Village, or its agent, in the Village's name.	$ 250,000
Category 2	
Collateralized with securities held by the pledging financial institution's trust department or agent in the Village's name.	2,395,379
Category 3	
Collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the Village's name, and uncollateralized deposits.	-
Total Deposits	$ 2,645,379

Investments

The Village's investments are categorized to give an indication of the level of risk assumed by the entity at year-end:

Category 1: Insured or registered, or securities held by the Village or its agent in the Village's name.

Category 2: Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Village's name.

Category 3: Uninsured and unregistered, with securities held by the counterparty, by the counterparty's trust department or agent, but not in the Village's name.

Note 2 – Cash and Investments (continued)

Carrying Amount				
Category 1	Category 2	Category 3	Totals Market	Totals Cost
$ 1,362,068	$ -	$ -	$ 1,362,068	$ 1,362,068

Note 3 – Long-Term Debt

Bonds payable at April 30, 2009 consisted of the following:

$2,270,000, Series 2005, due in one annual principal installment of $790,000 through December 2009 plus interest of 3.5%

Year Ending April 30,	Bond Maturities	Interest Requirements	Combined Total
2010	$ 790,000	$ 13,825	$ 803,825

Note 4 – Redevelopment Contracts

The Village has entered into agreements under its Tax Increment Redevelopment Plan for financial incentives to be paid to redevelopers of qualifying projects within the Village's Redevelopment Project Area. These contracts are set up to refund a portion of sales tax and/or property taxes to property owners. Monetary maximums and time limitations are set for each reimbursement agreement.

Note 5 – Additional Disclosures Provided to Comply With ILL. Rev. Stat., Ch. 24, Sec. 11-74.4-1

	District 5	District 18
Initial EAV of the Redevelopment Project Area	3,338,542	6,436,692
EAV of the Redevelopment Project Area, April 1, 2008	23,046,586	7,325,945
Total increase in equalized assessed values	$ 19,708,044	$ 889,253
EAV of the Redevelopment Project Area, April 1, 2007	21,188,627	6,795,529
Annual increase (decrease) in equalized assessed values	$ 1,857,959	$ 530,416
Incremental revenues generated from April 1, 2008 EAV		1,247,687
Incremental revenues generated from April 1, 2007 EAV		1,114,492
Annual Change		$ 133,195

Note 5 – Additional Disclosures Provided to Comply With ILL. Rev. Stat., Ch. 24, Sec. 11-74.4-1 (Continued)

Breakdown of revenue change by taxing district by levy year:

District 5 Districts	Extensions 2008 Levy	Extensions 2007 Levy	Annual Change
Kankakee County	$ 138,689	$ 127,338	$ 11,351
Bourbonnais Township	44,530	40,968	3,562
Village of Bourbonnais	65,095	59,924	5,171
Bourbonnais Fire Dist.	58,127	53,045	5,082
Community College #520	64,076	58,242	5,834
Bourbonnais S.D. #53	452,102	416,561	35,541
Bradley-Bourbonnais H.S. #307	279,419	256,051	23,368
Bourbonnais Park Dist.	42,491	39,287	3,204
Bourbonnais Libarary	23,795	21,707	2,088
Kankakee Airport Auth.	6,628	5,962	666
Total	$ 1,174,952	$ 1,079,085	$ 95,867

District 18 Districts	Extensions 2008 Levy	Extensions 2007 Levy	Annual Change
Kankakee County	$ 8,625	$ 4,193	$ 4,432
Bourbonnais Township	2,657	1,299	1,358
Manteno Township	199	89	110
Village of Bourbonnais	3,942	1,973	1,969
Bourbonnais Fire Dist.	3,469	1,682	1,787
Manteno Fire Dist.	274	123	151
Community College #520	3,985	1,918	2,067
Manteno U.D. #5	1,841	806	1,035
Bourbonnais S.D. #53	26,980	13,211	13,769
Bradley-Bourbonnais H.S. #307	16,675	8,121	8,554
Manteno Multi-Twp. Dist.	23	10	13
Bourbonnais Park Dist.	2,584	1,267	1,317
Bourbonnais Libarary	1,420	688	732
Manteno Library	61	27	34
Total	$ 72,735	$ 35,407	$ 37,328

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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
Village of Bourbonnais
Bourbonnais, Illinois

We have audited the financial statements of the Special Tax Allocation Fund, which represents the Tax Increment Financing Districts of the Village of Bourbonnais, Illinois, as of and for the years ended April 30, 2009 and 2008, and have issued our report thereon dated April 1, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Special Tax Allocation Fund of the Village of Bourbonnais, Illinois' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Special Tax Allocation Fund of the Village of Bourbonnais, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Special Tax Allocation Fund of the Village of Bourbonnais, Illinois' internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Special Tax Allocation Fund of the Village of Bourbonnais, Illinois' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Special Tax Allocation Fund of the Village of Bourbonnais, Illinois' financial statements that is more than inconsequential will not be prevented or detected by the Special Tax Allocation Fund of the Village of Bourbonnais, Illinois' internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Special Tax Allocation Fund of the Village of Bourbonnais, Illinois' internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Special Tax Allocation Fund of the Village of Bourbonnais, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported by *Government Auditing Standards*. There are no significant unresolved findings from previous annual audits, physical inspections or management review reports during our audit of the April 30, 2009 financial statements. There were no compliance findings noted during our audit of the April 30, 2009 financial statements relating to physical inspections or management reviews for which the Village has not taken corrective action.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wadley & Associates
Certified Public Accountants
Bourbonnais, Illinois
April 1, 2010

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Independent Auditors' Report on Compliance with Illinois Tax Increment Redevelopment Allocation Act

Board of Trustees
Special Allocation Tax Fund
Village of Bourbonnais, Illinois

We have audited the financial statements of the Special Allocation Tax Fund which are the Tax Increment Financing Districts in the Village of Bourbonnais, Illinois, for the years ended April 30, 2009 and 2008, and have issued our report thereon dated April 1, 2010.

We have also audited the Village's compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142). The management of the Village of Bourbonnais, Illinois, is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Village of Bourbonnais, Illinois' compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Village of Bourbonnais, Illinois complied, in all material respects, with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142).

Wadley & Assoc.

Wadley & Associates
Certified Public Accountants
Bourbonnais, Illinois
April 1, 2010